

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 18, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 18, 2006, commencing at 7:01 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hansen, Johnson, Mounce, and Mayor Hitchcock

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. TOPIC(S)

B-1 "Discuss 'Project Opportunity,' a review of City-owned property, its use, and productivity"

City Manager King stated that the City of Lodi owns over 1,400 acres (most of which is at the White Slough Water Pollution Control Facility) and 118 parcels throughout the City. In reviewing the City's real estate assets, staff looked at the properties that deliver service to the public (i.e. fire stations, parks, etc.), as well as other properties that may not have a specific purpose or that may not be developed for a period of time.

Fire Chief Pretz reported that this property survey (filed) is an outgrowth of the City Manager's work plan, which should be reviewed to determine if properties are at their most productive use, if changes are necessary, or whether the City should continue to own the property or sell it and use the proceeds to further the City's agenda on a number of projects. Chief Pretz reviewed the top 11 properties as identified by staff.

1119 – 1120 Awani Drive – This property was an old city dump, which was originally owned by the City, sold, and then re-purchased by the City. An environmental review is necessary in order to determine what is on the property and whether or not it may be developed.

Mayor Pro Tempore Johnson commented that, when the Parks and Recreation Master Plan was discussed, this property was considered to be another access point to the river, and it was vehemently fought by the neighbors.

2 E. Lodi Avenue – This is the Maple Square property, which has future plans for the front-end of the right of way to be part of the under or overpass over the railroad tracks. The possibility exists to sell off or otherwise develop the back half of that acreage, which is approximately 0.62 acres.

22 E. Locust Street and 111 N. Stockton Street – These properties were acquired as part of the proposed indoor sports complex and, with the creation of the Grape Bowl Ad Hoc Committee, may be better suited to go onto or be built in conjunction with the Grape Bowl property. Additionally, the City has not yet acquired all of the necessary properties required for the sports complex.

100 E. Pine Street – This is the New Shanghai building, which currently houses Lodi Adopt-A-Child. This is an appropriate use for the property; however, there may be a better place to house Adopt-A-Child (e.g. the parking structure) in order to turn this facility into a different type of rental space.

275 Culbertson Drive – This is a 1.13-acre property for a future neighborhood park; however, it has great potential for other uses.

500 S. Guild – This 9-acre site was considered as a possible location for the new animal shelter and Electric Utility headquarters. It would appear that this project will not be developed in the near future and is an asset that is not being used.

City Manager King stated that this 9-acre property would be the site to seriously consider whether or not the City uses it for generation of cash. The prospect of developing this property for Electric Utility purposes is not anticipated in the near future, and it presents the least amount of challenges of all the properties. During the budget process, staff will present issues associated with Electric Utility that the City continues to struggle with.

Council Member Hansen stated that, when the City was in a better financial condition, the animal shelter was the number one priority on the capital projects list. The cost of the animal shelter was reduced because the City had the land for it. He expressed concern about selling the property and suggested that the City hold onto a couple of acres for the future animal shelter, to which Mr. King replied that the City could easily do so and still be able to generate interest in the development community.

705 E. Lodi Avenue – This 1.01-acre site is where Fire Station 2 is currently located. Chief Pretz explained the “triple flip” concept that involves the San Joaquin County Mosquito and Vector Control District, which presently has a lease at White Slough that it would like enhanced. In order to do that, the Mosquito District would abandon or trade its long-term lease at White Slough for the property it owns on Beckman Road. The City would make the swap and sell the Fire Station 2 property to the highest bidder, using the money to offset costs of rebuilding Fire Station 2 on the Beckman Road property.

Council Member Mounce expressed support for this concept as it would solve a number of problems facing the City.

In response to Council Member Hansen, Public Works Director Prima explained that the property leased by the Mosquito District is south of the plant and consists of a series of small ponds used to raise mosquito fish, in addition to a small trailer used as an office. The Mosquito District is interested in a long-term lease and in developing the property to be similar to that on the Beckman Road site. The City cannot sell the land as it would have to de-annex it. The proposal does not conflict or overlap with the potential future power generation plant.

Mayor Pro Tempore Johnson stated that this idea is worth being explored; however, he stated that he would like to see profits from the sale of property also be reserved for the Parks and Recreation Department, which has been struggling for years.

Mayor Hitchcock questioned if any of the park properties were purchased with impact fees, because if they are not used for parks, the City should reimburse those impact fees.

City Manager King responded that there are surplus procedures in place. If the Council declares property as surplus, the Planning Commission has to concur that the surplus procedure would be consistent with the General Plan. Typically, the City would obtain an appraisal for the property and, with the exception of park land, make the land available at market price for development of low-income housing or for park purposes. If there is no interest in buying the property at the appraised price, it would then be put out for a formal bid process. Land originally dedicated as park land is different, because the City is primarily obligated to find replacement park land, for which there are specific procedures.

In reply to Mayor Hitchcock, City Attorney Schwabauer stated that impact fees can only be used for items within the impact fee program and would need to be returned.

903 W. Turner Road – This parcel is 12.75 acres of undeveloped area west of Lodi Lake. It is used occasionally as a parking lot, but it was purchased as part of a grant for future expansion of Lodi Lake and the properties surrounding it.

Mayor Pro Tempore Johnson questioned what the time line is in looking at this list of properties, to which Chief Pretz responded that a reasonable time frame would be 20 years; however, due to the City's financial constraints, it might be more realistic to forecast out 5 years. Mr. Johnson suggested that the City revisit the capital projects "wish list" to determine what is current, timely, and needed. In regard to the Turner Road property, Mr. Johnson cautioned that it be studied carefully, as the loss of land would prevent future expansion of the Lake. He suggested that future development agreements or a partial sale of the property could help fund enhancements needed at Lodi Lake.

City Manager King stated that the City could lease two or three acres of this property for commercial development for a longer period of time, and the revenue from that lease could be dedicated to the maintenance of Lodi Lake. Future City Councils would still have the asset to develop and expand.

In response to the 2229 Tienda Drive property, which is 8.03 acres of undeveloped park, Mr. Johnson stated that this property was a gift from the Roget Family to be used for park purposes. He questioned if the property would be returned to the Roget Family if it was not used for park purposes, to which City Attorney Schwabauer responded that he was unsure whether or not the Roget Family restricted the gift in that way; however, he would look into the matter.

Chief Pretz added that there is a portion of the Roget property that the City used impact fees to purchase, and any disposition would not necessarily involve the gifted portion.

Century Boulevard at Stockton Street – This area is a right of way and has been difficult to maintain. A portion of it is a future right of way for Century Boulevard crossing the railroad tracks; although, it is unknown when this will occur.

In response to Mayor Pro Tempore Johnson, Mr. Prima responded that the plan is to have Century Boulevard run as an east-west thoroughfare; however, it is unlikely that it will be extended through as an at-grade crossing. The railroads oppose at-grade crossings on a main-line track, and the California Public Utilities Commission is very reluctant to approve it.

Mayor Hitchcock questioned what the plan was for the property on Lockeford Street, which was not on staff's condensed list, as it was purchased with no plan in mind.

Chief Pretz responded that, in earlier discussions, the area from Turner Road south to Lockeford Street, between Stockton Street and an eastern boundary, was included as one large parcel. It was decided not to include it on the list because the Grape Bowl Ad Hoc Committee is currently reviewing options for the area.

Mayor Hitchcock expressed her preference that, if Council is going to consider selling properties, it should review the entire list, and the area surrounding the Grape Bowl should be included in the discussions.

Chief Pretz stated that Council also has redevelopment options, without eminent domain, as a means to acquire needed property.

The San Joaquin Council of Governments Multi-Species Habitat Conservation and Open Space Technical Advisory Committee approached staff about the concept of conservation easements. There are 400 to 500 acres in the southern boundary of White Slough, which the City could sell the easement rights to and allow for the land to be kept under its current use in perpetuity (i.e. the City could not develop it).

Council Member Hansen stated that the county is in desperate need to meet certain requirements in terms of endangered species, and selling the easement rights to the county would generate significant revenue for the City. There are a lot of ramifications that would need to be examined, and he hoped that this could be done without jeopardizing the future of White Slough.

Mayor Pro Tempore Johnson requested that Council be provided with information on the possible costs and how the figure of \$10,000 per acre compares with what others are paying elsewhere.

Council Member Beckman stated that for the last two years he has attended the San Joaquin Council of Governments Multi-Species Habitat Conservation and Open Space Technical Advisory Committee meetings, and he was shocked to see the \$10,000 figure, because it was very high compared to other easements it has purchased. In 20 years, easements will be as high as \$30,000 per acre. Mr. Beckman stated he would be in favor of this; however, he would like a very clear understanding of how long the City will be able to discharge effluent on land. If the state suddenly puts restrictions on discharging, the City will own a large piece of land that it cannot use, and once those easements are in place, it cannot be undone.

Council Member Mounce questioned if the developers of the Lowe's project purchased and set aside land as part of its mitigation plan and, if so, where it is located.

City Attorney Schwabauer stated that one of the stipulations in the settlement agreement with Lodi First was that it would be "prime agricultural land"; however, the area immediately surrounding Lodi did not fit the statutory definition, and Lowe's purchased the land south of Elk Grove.

Mayor Hitchcock stated that she preferred the City property list to be all of those that are not being utilized for their intended purpose, including the source of money that paid for them to help determine if there are gifts, donations, or restrictions.

Council Member Hansen preferred that the matter not be revisited until the City has funding to build the capital projects on the "wish list."

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:25 a.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk